

News

from the Illinois Commerce Commission

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ICC Set to Fine Peoples Gas for Failure to Inspect Meters

The Illinois Commerce Commission has opened a formal investigation to determine whether Peoples Gas has failed to comply with federal and state pipeline safety requirements, and whether penalties should be imposed.

ICC Staff has recommended the citation proceeding in response to the company's inability to maintain timely leakage surveys on customers' gas meters—many of which are inside individual residences. According to federal and state guidelines, these leakage surveys must be conducted every five years.

"This is a problem the Commission has been tracking for quite some time," says ICC Chairman Ed Hurley. "These inspections involve a very simple test and it really is unfortunate this problem has not been resolved prior to this citation process."

The challenge facing the company is getting customers to allow utility representatives inside their homes for the inspections.

According to data provided by Peoples to ICC Staff, in 2005 the company has conducted only 25 percent of the roughly 130,000 meter inspections needed to be in compliance with the rules.

The Federal Pipeline Safety Act and the Illinois Gas Pipeline Safety Act allow for a civil penalty of not more than \$100,000 for each violation. A separate violation occurs for each day the violation continues. The maximum civil penalty for a related series of violations is \$1 million.

An ICC Administrative Law Judge will oversee the proceeding, in which Peoples bears the burden to show cause why civil penalties should not be imposed for failure to comply with the inspection rules. The Commission is expected to reach a final decision later this year.

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